

June 15, 2012

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Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, DC 20554

Re: Applications of Cellco Partnership d/b/a/ Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses WT Docket No. 12-4

Dear Ms. Dortch:

On June 13, Debbie Goldman, Telecommunications Policy Director of the Communications Workers of America ("CWA"), Mike Gendron of CWA Local 1108 based in Patchogue NY, John Mudie of CWA Local 1122 based in Buffalo NY, Adrian Crisp of CWA Local 1118 based in Albany NY, Richard Hatch of CWA Local 2201 based in Richmond VA, and Paula Vinciguerra of CWA Local 2106 based in Salisbury MD had two separate meetings at the Commission. The first meeting was with Zachary Katz, Chief of Staff to Chairman Julius Genachowski and Michael Steffen, Legal Advisor to the Chairman. The second meeting was with Paul Murray and Holly Saurer, Acting Legal Advisors to Commissioner Jessica Rosenworcel.

The CWA representatives also delivered a petition with 130,000 signatures and more than 3,000 hand-written letters raising strong concerns about the Verizon Wireless transaction with Comcast, Time Warner, Cox, and Bright House Networks, noting that this anti-competitive deal is bad for consumers and bad for workers. The petition states that as a result of this deal "there will be fewer jobs building, installing, maintaining, and servicing the Verizon network," adding that at a time of soaring unemployment rates, the nation cannot afford a transaction that would lead to such substantial job loss. The petition with 130,000 signatures was previously filed at the Commission on March 26, 2012; an electronic copy of the 3,000 letters is filed with this notice.

In the meetings, the CWA representatives explained that the proposed Verizon Wireless/cable cross-marketing agreements will lead to substantial job loss. These agreements would allow Verizon Wireless to sell cable's video, broadband, and voice

telephony services in direct competition with Verizon Communications' own FiOS video, broadband, and voice telephony services. As a result, Ms. Goldman explained, Verizon Communications will have less incentive to invest in and aggressively market its FiOS product. Reduced network investment and less aggressive marketing will mean fewer jobs for frontline Verizon employees. It will mean less opportunity for these skilled workers and their families, and reduced tax revenue and spending in their communities. At a time of high unemployment when few if any other jobs are available in their communities, it will mean the loss of middle-class jobs that pay good wages and benefits to support a family.

The CWA representatives described the FiOS-related work that they and their Verizon co-workers perform as outside plant technicians, cable splicers, installers, engineering associates, customer service representatives, video hub technicians, maintenance administrators, dispatchers, and other frontline employees working for Verizon in its landline footprint. This work is the result of Verizon's FiOS deployment and aggressive marketing in competition to the cable companies. This work supports tens of thousands of Verizon frontline employees, their families, and, through multiplier effects, many more jobs in the communities in which they live. <sup>2</sup>

The CWA representatives shared their own stories, which they pointed out are representative of the stories of their Verizon co-workers, including the 300 workers who traveled to a rally outside the Commission that same day with the message: "Verizon/Big Cable Deal Kills Jobs and Hurts Consumers."

Mr. Crisp from Albany NY, a Verizon cable splicer with 18 years service at Verizon, explained that there is no FiOS in Albany, although he has helped put FiOS in the more affluent Albany suburbs as well as Westchester County, adding that if this transaction goes through, he fears for his job, that of his wife who is also a cable splicer, and whether his children will have the opportunities that he has had.

Ms. Vinciguerra from Salisbury MD, a Verizon customer service representative who sells FiOS services to customers in six states, but not in her home area of the Eastern shore of Maryland where FiOS is not available, noted that Verizon jobs are among the few middle-class family-supporting jobs on the Eastern shore, and she worries that they will be drastically reduced if Verizon Wireless starts selling cable services in competition with Verizon's high-speed Internet. She added that Verizon no longer sells stand-alone DSL.

Mr. Hatch from Richmond VA noted that Verizon has begun to wind down the FiOS build in the Commonwealth, although significant areas of Virginia including

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<sup>&</sup>lt;sup>1</sup> Verizon's local landline footprint includes 12 states and the District of Columbia: Massachusetts, New York, Rhode Island, Delaware, New Jersey, Pennsylvania, Maryland, Virginia, and portions of Connecticut, Florida, Texas, and southern California.

<sup>&</sup>lt;sup>2</sup> CWA and the International Brotherhood of Electrical Workers (IBEW) represent approximately 45,000 Verizon employees.

Alexandria and Roanoke do not have FiOS, and that Verizon has already cut 1/3 of the frontline workforce in Virginia. Verizon is not selling stand-alone DSL.

Mr. Mudie of Buffalo with 14 years at Verizon emphasized that Verizon has not deployed FiOS in Buffalo, the second largest city in the state of New York, although it has built the network in the surrounding more affluent suburbs. He noted that every school child in Buffalo – with only a 54 percent graduation rate – is disadvantaged relative to their suburban counterparts, and echoed the concerns of his colleagues that the transaction will mean less work and fewer jobs for him and his coworkers. He explained that for him, work at Verizon is a career, not just a job, and that he and his co-workers are craftsmen with the skills to provide quality service even as the technology changes. Verizon is not selling stand-alone DSL in Buffalo.

Mr. Gendron from Suffolk County on Long Island NY explained that Verizon has stopped building FiOS on eastern Long Island and that the frontline workforce has declined significantly. Without a FiOS build, with no sales of stand-alone DSL, and with Verizon Wireless selling cable service, the workforce will continue to decline.

Ms. Goldman provided a copy of a CWA report, *Verizon/Cable Deal: Slamming the Door on Our High Speed Future*, a copy of which is attached to this notice. The report compares the demographics of the populations in Buffalo, Baltimore, Albany, Boston, and Syracuse where Verizon has not deployed FiOS to the populations in the suburbs surrounding them where Verizon has deployed FiOS, and demonstrates that people of color and lower-income households are disproportionately impacted by a decreased incentive to invest in FiOS.<sup>3</sup>

**Baltimore:** Verizon has not deployed FiOS in Baltimore, the largest city in Maryland with a population of 639,000. In Baltimore, one-quarter (25.6 percent) of the residents live below the poverty line, and the median household income is \$38,346. However, in the suburban counties surrounding Baltimore where Verizon has obtained video franchises and has deployed FiOS, only 7.7 percent of the population lives in poverty, and the median household income of \$95,386 is more than twice that of Baltimore city. In Baltimore, 72 percent of the population is minority compared to 49.4 percent in the surrounding Baltimore FiOS-deployed suburbs.<sup>4</sup>

**Boston:** Verizon has not deployed FiOS in Boston, the largest city in Massachusetts with a population of 645,000. In Boston, almost one-quarter (23.3 percent) of the population lives below the poverty line, and the median household income is

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<sup>&</sup>lt;sup>3</sup> See CWA Reply Comments, In the Matter of Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent to Assign Licenses, Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC For Consent to Assign Licenses, WT Docket No. 12-4, March 26, 2012.

<sup>&</sup>lt;sup>4</sup> CWA calculation based on data from the U.S. Census Bureau, American Community Survey, 2010. The suburban counties with FiOS franchises and deployment are Anne Arundel, Harford, Howard, Montgomery, and Prince Georges. CWA calculated a weighted average for these counties.

\$49,893. In the surrounding suburbs where Verizon has obtained video franchises and deployed FiOS, the poverty rate is 8.3 percent and the median household income of \$82,816 is significantly higher than that of Boston. In Boston, 52.3 percent of the population is minority compared to 22.9 percent in the surrounding FiOS-deployed suburbs <sup>5</sup>

**Buffalo:** Verizon has not deployed FiOS in Buffalo, the second largest city in New York State with a population of 270,000. In Buffalo, over one-quarter (28.8 percent) of the population lives below the poverty line, and the median household income is \$29,285. In the surrounding suburbs where Verizon has obtained video franchises and deployed FiOS, the poverty rate is 8.2 percent and the median household income of \$56,925 is double that of Buffalo. In Buffalo, 44.9 percent of the population is minority compared to only 4.9 percent in the surrounding FiOS-deployed suburbs. 6

**Albany and Troy:** Verizon has not deployed FiOS in Albany and Troy, NY, cities with 147,962 residents. In Albany and Troy, one-quarter (25.3 percent) of the population lives below the poverty line, and the median household income is \$39,158 (Albany) and \$36,675 (Troy). In the surrounding suburbs where Verizon has obtained video franchises and deployed FiOS, the poverty rate is 5.4 percent and the median income is \$70,540. In Albany and Troy, 44.8 percent of the population is minority compared to 13.4 percent African in the surrounding FiOS-deployed suburbs.<sup>7</sup>

**Syracuse:** Verizon has not deployed FiOS in Syracuse, NY, a city with a population of 144,734. In Syracuse, almost one-third (31.1 percent) of the population lives below the poverty line, and the median household income is \$30,891. In the surrounding suburbs where Verizon has obtained video franchises and deployed FiOS, the poverty rate is 7 percent and the median income is \$52,961. In Syracuse, 38 percent of the population is minority compared to 6.7 percent in the surrounding FiOS-deployed suburbs.<sup>8</sup>

<sup>&</sup>lt;sup>5</sup> CWA calculation based on data from the U.S. Census Bureau, American Community Survey, 2010 (5-year average dataset). FiOS availability in cities and towns in Essex, Middlesex, Norfolk and Suffolk counties from Verizon.com (accessed at [http://deals.servicebundles.com/verizon-fios-availability] 3/9/2012).

<sup>&</sup>lt;sup>6</sup> CWA calculation based on data from the U.S. Census Bureau, American Community Survey, 2009. The Buffalo suburbs with Verizon video franchise and FiOS deployment are the towns of Tonawanda, Amherst, West Seneca, Hamburg, Orchard Park; the villages of Kenmore, Blasdell, Hamburg, Orchard Park; and the city of Lackawanna. See also The Coalition for Economic Justice, *Bypassing Buffalo: Who is Getting Verizon's FiOS and Who Isn't*,

http://dontbypassbuffalo.com/FiOS\_Report.pdf; see also Connecting America: National Broadband Plan at 37 (Mar. 16, 2010), http://download.broadband.gov/plan/national-broadband-plan.pdf (last visited Feb. 15, 2012).

<sup>&</sup>lt;sup>7</sup> CWA calculation based on data from the U.S. Census Bureau, American Community Survey, 2006-2010 (5-year average dataset). FiOS availability in Bethlehem, Colonie town, Colonie village, and Guilderland.

<sup>&</sup>lt;sup>8</sup> CWA calculation based on data from the U.S. Census Bureau, American Community Survey, 2006-2010 (5-year average dataset). FiOS availability in towns of Camillus, Cicero, Clay, De Will, Geddes, Lysander, Salina, Van Buren, villages of Baldwinsville, Fayetteville, Liverpool, and Skaneateles.

In summary, Ms. Goldman emphasized that the cross-marketing agreements that are part of the Verizon Wireless/cable transaction will result in less network investment, fewer jobs, less consumer choice, and as a result, an increase in prices and lower quality of service. For these reason, it is imperative that the Commission adopt the following conditions should it approve the transaction:

- 1. Prohibit Verizon Wireless and the cable companies from cross-marketing their service within the Verizon footprint.
- 2. Require Verizon to continue to offer FiOS broadband Internet access service and video service, expand in-region deployment to cover at least 95 percent of residential living units and households within the Verizon in-region territory, and require that a certain percentage of incremental deployment be to rural areas and low-income living units, with timetables, data reporting, and penalties for non-compliance.
- 3. Require Verizon Wireless and the Cable Companies to make the services each of them provides each other and the intellectual property developed under the agreements to be available on a nonexclusive basis, and to make such services and intellectual property available to all requesting telecommunications carriers, cable service providers, and broadband Internet service providers on the same terms and conditions.<sup>9</sup>

Sincerely,

Debbie Goldman Communications Workers of America

cc: Zachary Katz, FCC Michael Steffen, FCC Paul Murray, FCC Holly Saurer, FCC

<sup>&</sup>lt;sup>9</sup> See Communications Workers of America/International Brotherhood of Electrical Workers Reply Comments, In the Matter of Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent to Assign Licenses, Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC For Consent to Assign Licenses, WT Docket No. 12-4, March 26, 2012 ("CWA/IBEW Reply Comments").